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Chair: Mr. Berger ..... (Germany)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

Contents

Agenda item 132: Improving the financial situation of the United Nations

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The meeting was called to order at 10.05 a.m.

Agenda item 132: Improving the financial situation of the United Nations

1. **Mr. Takasu** (Under-Secretary-General for Management), accompanying his statement with a digital slide presentation, said that he would focus on four main financial indicators: the level of assessed contributions, unpaid assessed contributions, available cash resources and outstanding payments to Member States. Overall financial indicators for 2012 were generally positive and sound: positive cash balances were predicted for peacekeeping, the tribunals and the capital master plan. The level of outstanding payments to Member States was projected to decrease at the end of the year. However, the regular budget cash balance was under pressure in the final months of 2012, as disbursements for the last quarter of the year were projected to be around $776 million. The actual situation would depend on the inflow of contributions during that time.

2. He noted that the level of regular budget assessments had been slightly lower and the level of payments slightly higher in 2012 than in 2011, by $3 million and $112 million respectively. Unpaid assessed contributions had amounted to $855 million as at 5 October 2012, compared to $867 million a year earlier. As at 5 October 2012, 129 Member States, 2 fewer than on 5 October 2011, had paid their regular budget assessments in full. He urged the remaining Member States to pay their assessed contributions for 2012 as soon as possible. The total of $855 million outstanding as at 5 October 2012 was concentrated among a few Member States, whose action in the months that followed would determine the final financial picture for 2012.

3. Cash resources for the regular budget comprised the General Fund, into which assessed contributions were paid, the Working Capital Fund, which had been approved at a level of $150 million by the General Assembly, and the Special Account. As at 5 October 2012, the total cash resources available, excluding the Working Capital Fund and the Special Account, had stood at $149 million, compared to $94 million on 31 December 2011. According to the projections, there would be a positive cash balance at the end of December 2011, but the final position would depend on action by the major contributors.

4. It was difficult to predict financial outcomes for peacekeeping activities: demand was unpredictable; the financial period for peacekeeping ran from 1 July to 30 June rather than from 1 January to 31 December; assessments were issued separately for each operation; and, since assessments could only be issued through the mandate period approved by the Security Council for each mission, they were issued for different periods throughout the year. All those factors complicated a comparison between the financial situation of peacekeeping operations and that of the regular budget and the international tribunals. He was grateful to the 32 Member States that had paid in full all peacekeeping assessments due and payable as at 11 October 2012.

5. The total amount outstanding for peacekeeping operations as at 5 October 2012 had been $1.85 billion, approximately $775 million lower than at the end of 2011. That stemmed largely from the lower level of peacekeeping assessments for the period from July 2012 to June 2013, pending approval of a new scale of peacekeeping assessments for 2013. The cash balance in peacekeeping accounts had stood at some $3.7 billion as at 5 October 2012. That amount was divided among the accounts of a number of ongoing and closed operations and the Peacekeeping Reserve Fund.

6. Revised projections of the Organization's debt to Member States suggested that the amount outstanding would total some $512 million at the end of 2012, which was lower than the projection of $678 million made in May 2012 and the amount of $529 million outstanding as at 31 December 2011. The Organization would be making substantial payments to States providing troops, police and equipment in the following days. By 16 October 2012, payments would be current up to August 2012 for all but three active missions. The Secretary-General was committed to meeting the Organization's obligations to troop and equipment contributors as expeditiously as possible. To that end, Member States must meet their financial obligations to the United Nations in full and on time and the relevant memorandums of understanding must be finalized.

7. The financial position of the International Tribunals, including the recently established International Residual Mechanism, had declined slightly in 2012 by comparison with 2011. Nevertheless, 95 Member States had paid their assessed contributions in full by 5 October 2012, two

more than by 5 October 2011. He urged the remaining Member States to follow their example. While the cash position of the Tribunals and the International Residual Mechanism was currently positive, the actual outcome would depend on Member States meeting their financial obligations in full and on time.

8. Recalling that the Assembly had approved a total budget of $1.87 billion for the capital master plan, he said that 180 Member States were covered by the multi-year payment system, while 12 Member States had opted for one-time payment. As at 5 October 2012, payments totalling $1.86 billion had been made, with $4.6 million still outstanding. He thanked the 149 Member States that had paid their capital master plan assessments and urged all Member States to pay their assessed contributions in full and on time to ensure the timely implementation of the project.

9. In conclusion, he paid special tribute to the 31 Member States that had paid in full all assessments due and payable by 11 October 2012. Cash positions were projected to be positive at year-end for all funds except the regular budget, although the final outcome would depend on contributions made in the last quarter. Debt to Member States was projected to decrease to $512 million, with the Secretariat making every effort to expedite payment of outstanding amounts. Unpaid assessments had decreased across all categories except the International Tribunals. The number of Member States that had met their obligations in full had increased. However, unpaid assessments remained significant. In order to maintain the financial health of the Organization, it remained as critical as ever for Member States to meet their financial obligations in full and on time.

The meeting rose at 10.30 a.m.